



SOCIAL SECURITY INFORMATION CENTER
U.S. Department of the Treasury – 202-622-5850
www.StrengtheningSocialSecurity.gov
Wednesday, August 17, 2005

STRENGTHENING SOCIAL SECURITY: WHAT THEY'RE SAYING

President Bush – 70th Anniversary Renews Commitment To Strengthen Social Security: "For 70 years, Social Security has been a vital program and helped millions of America's seniors in retirement. The Social Security system is sound for today's seniors, but there is a hole in the safety net for younger workers. On this 70th anniversary, we renew our commitment to save and strengthen Social Security for our children and grandchildren, and keep the promise of Social Security for future generations." (President George W. Bush, President's Statement on 70th Anniversary of Social Security, 8/14/05) [Read The Statement.](#)

Treasury Secretary Snow – Lower- And Middle-Income Workers Receive Largest Benefit Growth: "Another proposed change to the program that the president has embraced, called progressive benefit growth, would address Social Security's budget and solvency problems. It would allow all future retirees to receive larger benefit checks than similar retirees receive today, even after inflation. However, these benefits would grow at a rate that won't break the Social Security budget. Lower- and middle-income workers would receive the largest growth in benefits, while those earning the most would see their benefits grow more slowly. This would go a long way toward solving Social Security's funding problem and closing the hole in the safety net." (Secretary John Snow, "Puts And Calls," *Pittsburgh Post-Gazette*, 8/14/05) [Read The Op-Ed \(In English\).](#) [Read The Op-Ed \(In Spanish\).](#)

Treasury Secretary Snow – Social Security Must Stay At Top Of Agenda: "When members of Congress go back to Washington, D.C., in September, they will return to a full plate of important issues, from the Supreme Court nomination to the war on violent extremism. But these immediate issues are only part of the job; a government that does not also plan for the future of its citizens is not a responsible one. The president has made protecting and preserving the promise of Social Security a high priority. Reforming Social Security for our children and grandchildren must stay at the top of the 2005 legislative agenda. Their future is simply too important to let partisan politics stand in the way." (Secretary John Snow, "Puts And Calls," *Pittsburgh Post-Gazette*, 8/14/05) [Read The Op-Ed \(In English\).](#) [Read The Op-Ed \(In Spanish\).](#)

Mobile (AL) Register – President's Plan Goes Long Way To Solve Looming Problem: "President George W. Bush has shown great political courage in trying to tackle Social Security's looming problems before they become unmanageable. ... Now, what it is that President Bush ... is proposing so as to fix these multiple problems? ... First, to give young workers a chance to get a better rate of return on their payroll taxes, Mr. Bush proposes allowing a small part of those taxes to be placed in personal accounts. Those accounts will be directly owned by the worker, or by his family when he dies. ... Because the accounts are purely optional, they force no risk on even a single individual. And because they could be invested only in broad market funds that have never once failed to rise over time, even the voluntary risks would be negligible. ... Second, to keep the system from going bankrupt, the president has endorsed a proposal by a Democratic economist to tie promised benefits to income levels. Low-income workers would receive a larger inflation adjustment each year than would high-income workers." (Editorial, "Bittersweet Birthday For Social Security," *Mobile (AL) Register*, 8/13/05) [Read The Editorial.](#)

Secretary Chao – Saving Social Security Top Priority: "Labor Secretary Elaine Chao outlined key elements at a gathering organized by the state and Cleveland-area restaurant associations, emphasizing that the overhaul remains a President Bush priority when Congress returns next month. 'This president is one that will not punt this issue for future generations to face,' said Chao. 'The need to reform Social Security is to strengthen it.' Central to the Bush proposal is the creation of voluntary personal retirement accounts that would allow workers under 55 to invest a small part, perhaps 4 percent, of their Social Security taxes in conservative bonds or stocks with potentially higher returns. Harold Fout, a member of the Greater Cleveland Restaurant Association, likes the idea of giving younger workers more control over their retirement savings. 'It's a must,' he said, noting administration projections that Social Security as now structured will pay out more in benefits than it collects in payroll taxes by 2017 and will be unable to pay full benefits by 2041. 'You can't dispute those numbers.'" (Barb Galbincea, "Bush Won't Give In On Social Security, Labor Secretary Says," *Cleveland Plain Dealer*, 8/16/05) [Read The Article.](#)

***Investor's Business Daily* – Personal Retirement Accounts Provide Higher Returns:** "Retirement: This week marks the 70th anniversary of Social Security, but we won't be celebrating. Unless the program is thoroughly reformed, and soon, its chances of surviving another 70 years aren't good... There's a way out -- one that means no more tax hikes and leaves workers far better off in the future than they are today. Personal savings accounts will provide higher returns than Social Security's 2% -- as they already do in Australia, Chile, Britain and Sweden. We hope policymakers will take the occasion of this anniversary to ponder the damage they'll do to America's future if they don't act. Each day wasted only costs us more -- and leaves us poorer." (Editorial, "Iffy Anniversary," *Investor's Business Daily*, 8/15/05) [Read The Editorial.](#) (Subscription Required)

Democratic Economist Robert C. Pozen – President Bush's Proposal Helps Low-Wage Earners: "Progressive indexing would allow Social Security benefits to grow for the next generation of Americans while establishing a differential benefit scale based on a worker's average career earnings. All low-wage earners, as well as those in or near retirement, would receive the present schedule of Social Security benefits based on U.S. wage growth during their careers... President Bush has shown great political courage in taking on this controversial issue, which only a second-term president can afford. No president is likely to tackle such a political hot potato in the face of a re-election contest. If both Democrats and Republicans show flexibility in working together, we have a fighting chance to solve the Social Security problem before it becomes a crisis. Once the baby boomers begin to retire in 2012, it may be too late to modify their benefit formulas. The window for Social Security reform is open, but it's closing fast." (Robert C. Pozen, "Social Security – Indexing Plan Could Provide Long-Term Health For System," *Detroit Free Press*, 8/14/05) [Read The Op-Ed.](#)

CNBC's Larry Kudlow – System Must Be Reformed With Personal Retirement Accounts: LARRY KUDLOW: "President Bush recently celebrated the 70th anniversary of the Social Security system, which in the early days was a great help to ameliorate old-age poverty, but as *Investors Business Daily* just pointed out, the demographic gain has run out. Unless the system is reformed through the ownership of personal savings accounts, which will permit stock and bond market investments to fund benefits rather than tax hikes funding them, the system's going to continue to deteriorate. Only through market wealth creation will old-age pension benefits be fully financed over the longer term. Government will break hearts and promises by raising taxes and cutting benefits time and again in the future, just as it has done in the past. The system will never be fixed until Congress realizes that Bush is right on this. Ownership of market asset wealth, which is also a huge policy incentive to maintain our capitalist free market, economic prosperity-creating, incentive machine, that is the only solution." (CNBC's "Kudlow And Company," 8/16/05)

###